

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes  
July 9, 2018

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:12 p.m. on the above date at the Institute for Advanced Learning and Research, 150 Slayton Drive, Room 206, Danville, Virginia. Present were City of Danville Members Vice Chairman Sherman M. Saunders, Fred O. Shanks, III and Alternate J. Lee Vogler. Pittsylvania County Members present were Chairman Robert W. Warren, Ronald S. Searce and Alternate Elton W. Blackstock.

City/County staff members attending were: Deputy City Manager Earl Reynolds, Assistant County Administrator for Planning & Development Gregory Sides, City of Danville Director of Economic Development Telly Tucker, Assistant Director of Economic Development Corrie Teague Bobe, Project Manager Kelvin Perry, Pittsylvania County Director of Economic Development Matt Rowe, City of Danville Director of Finance Michael Adkins, City of Danville Senior Accountant Henrietta Weaver, Clement Wheatley Attorney Michael Guanzon, Secretary to the Authority Susan DeMasi and Executive Secretary Amanda Allen. Also present were Brian Bradner and Shawn Harden from Dewberry & Davis and Executive Director of IALR, Marc Gignac.

Mr. Saunders **moved** to Amend the Agenda to add Proposed Resolution 2018-07-09-5C. The Motion was **seconded** by Mr. Shanks and carried by the following vote:

VOTE: 4-0  
AYE: Warren, Searce, Saunders and Shanks (4)  
NAY: None (0)

**PUBLIC COMMENT PERIOD**

No one desired to be heard.

**APPROVAL OF MINUTES FOR THE JUNE 11, 2018 MEETING**

Upon **Motion** by Mr. Shanks and **second** by Mr. Searce, Minutes of the June 11, 2018 Meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

**NEW BUSINESS**

**5A. – CONSIDERATION OF RESOLUTION NO. 2018-07-09-5A, APPROVING CHANGE ORDER 5 TO THE SITE DEVELOPMENT WORK BY HAYMES BROTHERS, INC.**

Shawn Harden from Dewberry explained the first section of the Change Order is for additional riprap and erosion protection around the ponds. This spring there were significant rain storms above and beyond the design level there. One of the slopes going to Pond 5 washed down the slope, so they are going to add Class 2 Riprap and a little bigger stone to try to protect against any future spring storms. There are some washes coming out of the wetland areas of the ponds; to help protect that while the ponds are getting established, they are going to run a row of silt fence around it and add some down chutes to try and channel water better when there are really heavy rains. The second portion of the Change Order is adding one additional round of lime and fertilizer to the pads and add one round of bush hogging of the pads to try to knock down some of the high grass that is in there; it is a good maintenance

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procedure. The total Change Order amount is \$38,731.70 which is within the remaining budget for Lot 4 Development Grant.

Mr. Shanks **moved** for adoption of *Resolution No. 2018-07-09-5A, approving Change Order 5 to the site development work by Haymes Brothers, Inc., a Virginia corporation, originally approved under Resolution No. 2017-02-24-4A, including additional erosion and sediment control devices, fertilizer, lime and bush hogging, increasing the contract price by \$38,731.70.*

The Motion was **seconded** by Mr. Searce and **carried** by the following vote:

VOTE: 4-0  
AYE: Warren, Searce, Saunders and Shanks (4)  
NAY: None (0)

**5B. FINANCIAL STATUS REPORT AS OF JUNE 30, 2018**

Authority Treasurer Michael Adkins gave the Financial Status report as of June 30, 2018. Under the \$7.3M Bonds for Cane Creek Centre, RIFA spent \$4,266 for legal expenses to Clement Wheatley. General Expenses for FY 2018 show RIFA expended \$15,613 to Clement Wheatley for ongoing legal, \$2,194 to VML for the annual insurance renewal, \$230 for meals and \$31 for Utilities. Mega Park Funding Other than Bonds had no activity for the month of June. Berry Hill Mega Park Lot 4 Site Development shows no monies expended for the Month of June. Berry Hill Mega Park Lot 8 Site Development showed no activity for the month of June and Berry Hill Mega Park Water and Sewer showed no activity for June. Rent, Interest and Other Income shows RIFA received the \$20,654 from the Institute for the Hawkins' Building, received \$10,000 from Enviva for the extension fee on the option, \$438 was received in interest and RIFA expended \$20,654 to the Institute for Advanced Learning and Research for maintenance on the Hawkins' Building.

Mr. Saunders **moved** to accept the Financial Report as presented. The Motion was **seconded** by Mr. Searce and carried by the following vote:

VOTE: 4-0  
AYE: Warren, Searce, Saunders and Shanks (4)  
NAY: None (0)

**5D. CONSIDERATION OF RESOLUTION NO. 2018-07-09-5C, APPROVING A SECOND AMENDMENT TO LOCAL PERFORMANCE AGREEMENT WITH UNISON TUBE LLC.**

City of Danville Director of Economic Development Telly Tucker explained in the original Performance Agreement with Unison, the Board agreed to a grant from Danville Pittsylvania County to go to Unison once they had approximately \$1.2M worth of equipment on site in Danville, operational. Both he and Mr. Rowe went with the third party appraiser to provide a third party appraisal on that equipment because that is what they are using as security; it went very well. All the machines were in place except for one; the one machine they did not have was actually sold off the floor while they were in Chicago at the FABTECH Trade Show, to a company in Michigan. That machine was scheduled to come to Danville, so they have to build a new one for that company before that one will get to Danville, which they expect to happen around September or October. The proposed amendment to the original Performance

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Agreement allows RIFA to pay out a portion of their incentive, pro rated to what they currently have here in Danville. Once the final machine gets to Danville, then the remainder of that incentive they are eligible for, will be released.

Mr. Searce **moved** for adoption of *Resolution No. 2018-07-09-5C, approving that certain Second Amendment to Local Performance with Unison Tube, L.L.C., a North Carolina limited liability company and others to allow for the \$430,500 partial disbursement of the \$700,000 Danville-Pittsylvania County Industrial Enhancement Grant, in light of the pro rata performance of Unison Tube, L.L.C.'s installation of required Stock Equipment upon its Cane Creek Centre Facility, with the remaining grant disbursement to occur after the final piece of Stock Equipment is installed on or before December 31, 2018.*

The Motion was **seconded** by Mr. Saunders.

Mr. Warren noted he would like to compliment Mr. Tucker and Mr. Rowe for doing a good job in securing this project, and thought it was exciting that they were able to sell that equipment on the floor. Mr. Tucker and Mr. Rowe still secured RIFA and did not give too much money away until they actually got it on the floor, and he appreciates that. Mr. Rowe noted it was important, that with the value of the three pieces of equipment, he believes the appraisal came in where they have already exceeded what the appraised value was supposed to be for the four total pieces of equipment. What they are putting in Danville thus far has exceeded expectations of appraised value of what they anticipated. The entire grant amount is covered but it says it has to be in Danville before it is released.

The **Motion** was carried by the following vote:

VOTE: 4-0  
AYE: Warren, Searce, Saunders and Shanks (4)  
NAY: None (0)

## 6. CLOSED SESSION

*[During the closed session, all matters discussed shall involve receiving advice from legal counsel, and as such all communications during the closed session shall be considered attorney-client privileged.]*

At 12:24 p.m. Mr. Saunders **moved** that the Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority be recessed in a Closed Meeting for the following purposes:

A. As permitted by Section 2.2-3711(A)(5) of the Code of Virginia, 1950, as amended ("Virginia Code"), for discussion concerning one or more prospective businesses where no previous announcement has been made of that business's interest in locating its facilities in one or more of the Authority's projects located in Pittsylvania County, Virginia, and/or Danville, Virginia;

B. As permitted by Virginia Code § 2.2-3711(A)(39) for discussion or consideration of records excluded under Virginia Code § 2.2-3705.6(3) (including without limitation (i) those certain confidential proprietary records voluntarily provided by private business pursuant to a promise of confidentiality from the Authority, and used by the Authority for business and trade

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development and (ii) those certain memoranda, working papers, or other information related to businesses that are considering locating or expanding in Virginia, prepared by the Authority, where competition or bargaining is involved and where disclosure of such information would adversely affect the financial interest of the Authority); such information being excluded from mandatory disclosure under Virginia Code § 2.2-3705.1(12) (information relating to the negotiation and award of a specific contract pertaining to the Authority's Berry Hill Mega Site project where competition or bargaining is involved and where the release of such information would adversely affect the bargaining power or negotiating strategy of the Authority) and Virginia Code § 2.2-3705.1(8) (appraisals and cost estimates of real property in the Authority's Berry Hill Mega Site project subject to a proposed purchase, sale, or lease, prior to the completion of such purchase, sale, or lease); and

C. As permitted by Virginia Code §§ 2.2-3711(A)(3) for discussion or consideration of the acquisition and/or the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority.

The Motion was **seconded** by Mr. Searce and carried by the following vote:

VOTE: 4-0  
AYE: Warren, Searce, Saunders and Shanks (4)  
NAY: None (0)

D. On **Motion** by Mr. Saunders and **second** by Mr. Searce and by unanimous vote at 2:01 p.m., the Authority returned to open meeting.

E. Mr. Searce **moved** adoption of the following Resolution:

WHEREAS, the Authority convened in Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Freedom of Information Act; and

WHEREAS, Section 2.2-3711 of the Code of Virginia, 1950, as amended, requires a Certification by the Authority that such Closed Meeting was conducted in conformity with Virginia Law;

NOW, THEREFORE, BE IT RESOLVED that the Authority hereby certifies that, to the best of each Member's knowledge, (i) only public business matters lawfully exempted by the open meeting requirements of Virginia Law were discussed in the Closed Meeting to which this Certification Resolution applies, and (ii) only such public business matters as were identified in the Motion convening the Closed Meeting were heard, discussed, or considered by the Authority.

The Motion was **seconded** by Mr. Saunders and carried by the following vote:

VOTE: 4-0  
AYE: Warren, Searce, Saunders and Shanks (4)  
NAY: None (0)

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**7. COMMUNICATIONS**

Mr. Saunders thanked Mr. Tucker and Mr. Rowe for what they are doing on behalf of RIFA, the Board appreciates that. Mr. Warren noted he agreed with Mr. Saunders and would also include Clement Wheatley and Mr. Guanzon for the good work they always do, Dewberry & Davis and all the staff from both Economic Development offices.

Meeting adjourned at 2:03 p.m.

  
Chairman

  
Secretary to the Authority